



More market infrastructure = More livestock sales?

Limited market infrastructure is often cited as a constraint to livestock sales in the Horn of Africa. In general, infrastructure means livestock sale yards and associated facilities, holding grounds, stock routes and watering points en-route to terminal markets. This has justified large-scale investments in market infrastructure in the Sudan, Kenya, Ethiopia and Somalia by aid agencies. Yet today, many such facilities have fallen into disrepair through lack of use. Meanwhile, domestic livestock markets have been functioning well without such facilities, while a steady growth has been recorded in livestock and meat exports from the region, except in times of bans.

Intentions and realities

The building of market infrastructure has often been externally driven. The underlying assumption has been that infrastructure increases livestock sales and streamlines the functions of livestock markets. There is little evidence to support this however. In some cases the opposite appears to be the case, as local authorities see new markets as a means to

impose new taxes and levies which dissuade livestock traders and pastoralists from using the facilities. In nearly all cases, new market infrastructure is created without the development of management capacity or long term plans. For example,

- A survey of ten new livestock markets in Ethiopia in 2009 revealed an average taxation rate increase of 33%, but no management plans or budgets for maintaining the facilities
- In Sudan, 21 types of livestock taxes were recorded between secondary markets in Darfur and Omdurman, on the grounds of supporting market facilities that have, in fact, been non-functional for many years

Furthermore, evidence from the field indicates pastoralists and livestock traders are rarely consulted on the need for such infrastructure nor on its preferred location. For these and other reasons, new markets soon become abandoned.

Changing circumstances

The usefulness of trade stock routes with watering points may be less relevant these days as animals destined for major domestic markets and exports are generally transported on vehicles. Similarly, although holding grounds may once have been of value to parastatal trading monopolies, the modern structure of the sector is based on smaller scale livestock and meat traders for whom they may not be economically justifiable.¹ It monopolised the live animal and meat export trade. Meanwhile, livestock markets in the region such as Garissa in Kenya, Nyala in Sudan and Negelle in Ethiopia have remained vibrant with more basic facilities.

¹Kenya Meat Commission in Kenya, Meat Development Enterprise in Ethiopia and Livestock and Meat Marketing Corporation in Sudan





This is not to say that improving market infrastructure is not of value under any circumstances.

Indeed, as the medium of exchange becomes more sophisticated, for instance operating through auction, according to breed, grade, age or weight the need for supporting infrastructure may well become apparent. Until that stage is reached, basic market centres are adequate for the prevailing exchange modalities, where simple, face-to-face negotiations are the norm.

Roads, mobile phones and more basic market centres

In the short to medium term, the infrastructure related needs of pastoral markets are generally not specific to the livestock sector. For example;

- Developing secondary roads and mobile phone network in pastoral areas assist remote and poorer households to access local traders more easily and to negotiate prices more effectively.
- With new roads in place, basic livestock markets in formerly inaccessible areas can operate under lower transaction costs and are more likely to be economically sustainable, in some cases being established anew.
- Such livestock market centres can be seen in turn to attract commodity traders to the area, allowing pastoralists to purchase household consumables and thereby providing a broader economic basis to the area's economic development.

The Brief was based IGAD LPI Working Paper: Livestock Exports from Pastoralist Areas: An Analysis of Benefits by Wealth Group and Policy Implications. Working No. 02 - 10, By Yacob Aklilu and Andy Catley, Feinstein International Center, Tufts University. January 2001. This Publication and Brief is also available on IGAD LPI website: <http://www.igad-lpi.org/publications.html>

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IGAD LPI

ONE clear purpose:

The IGAD LPI's purpose is to strengthen the capacity in IGAD, its member states, and other regional organisations and stakeholders, to formulate and implement livestock sector and related policies that sustainably reduce food insecurity and poverty.

This means raising capacities to do things differently, in terms of making the policy making process inclusive of the poor, evidence-based and livelihoods focused.

TWO areas of focus:

To achieve its purpose, IGAD LPI has established multidisciplinary stakeholder fora in all IGAD member states, through which the project supports engagement with two policy areas;

- At the national level, livestock and Poverty Reduction Strategy Papers (PRSPs)/National Development Plans
- At the regional level, the Regional Policy Framework on Animal Health in the Context of Trade and Vulnerability (RPF).